

## Coloradoan Interview re: New City Council

Responses to reporter's questions:

### **Perspective on how council priorities and decisions since last spring (after the new members were sworn in) compare to those of previous councils, particularly in terms of growth and development**

The Council is still trying to find its footing. That's to be expected when two council members with 31 years of public service on the Council were replaced by people with none. That makes this the least experienced Council the community has had in many years.

They seem to have done a 180 degree turn away from being data-driven to operating from emotion.

Unlike past city councils, this group doesn't seem to have clear, well-defined priorities, and they are inconsistent with both policy and process. For instance, they say small local businesses are very important, but some of them are promoting the idea of a huge local minimum wage that would devastate small business owners.

Another example is housing attainability. The Council says advancing housing affordability is a top priority. Then they inserted themselves into the CSU Hughes Stadium rezoning in a way that largely undermined CSU's effort to create affordable housing. And they did it in a manner that showed bad faith to CSU. It's an example of a no-growth agenda trumping the community's needs for housing. They proclaim support for affordable housing while working aggressively to limit housing supply, which drives up housing costs. They say one thing then do another.

Affordable housing, cost of housing, and cost of living are top of mind problems with residents. Yet the Council takes actions to make them worse, not better.

When they talked about their priorities at their first retreat, scant mention was made of the economy. It's like they take our strong economy and businesses completely for granted. A Council Member even gave a mini-lecture one evening about why primary employers are undesirable! So far, economic health and jobs do not appear to matter much to this City Council, a departure from past Councils.

The real emerging schism on the Council and in the community is not between pro- and no-growth. It will be between no-growth and social justice factions. The policies supported by no-growthers drive up the cost of housing and utility rates and imperil jobs. That is in direct opposition to the needs of low- and middle-income people who want housing they can afford, good paying jobs, and who cannot absorb utility rate increases. All the talk about diversity, equity, and inclusion begins to ring hollow when their actions hurt low- and middle-income residents.

Regarding process, many issues are being advanced late in the evening under 'Other Business.' This is a big change. Big, new, important items are being discussed and pushed forward after most people have gone home or turned off their TVs. Zoning of the Hughes Stadium property (July 2), moratorium on mobile home park development (July 2), resolution on declaring a 'climate crisis (July 2), exploring metro districts (July 2), formal response process for national shootings (August 20), setting a local minimum wage (September 3), resolution about the U.S. / Mexico border (September 3), and medicare-for-all (September 17) are just a few examples.

Another change from past Councils is the impulse by the majority of this Council to take up partisan national issues that isn't the job of local government like medicare-for-all and national immigration policy.

**Do you feel council's current direction and priorities accurately represent the interests and ensure the welfare of the business community? Any thoughts or suggestions on things council should be doing to best support the business community?**

Businesspeople don't need the City Council to "ensure" their welfare. They need first-rate police and fire services and well-maintained streets with adequate capacity. Beyond that, they mostly want local government to leave them alone. They don't want to be singled out for special regulations, fees and costs.

Businesspeople do listen to what Council members are saying or not saying about business. Words do matter.

The Council seems to support policies that undermine the reliability of electricity, drive up electricity rates, limit water supply, add to the labor costs of small

businesses, and make worker housing more expensive. They seem to be quick to want to take away property rights whether it's CSU or a mobile home park owner.

Businesses matter a lot to a community. They provide goods and services residents need and want, they generate significant tax revenue for schools and municipal services, they and their employees are a foundation of support for nonprofits and their clientele, and they create jobs. Antagonizing business makes no sense.

As a group, Council appears disconnected from the local business community. Only one Council Member works for a business, and his employer is not even based locally.

In terms of suggestions for the Council, refrain from actions that add to the cost of housing for our workers, don't impose labor costs on small businesses that they cannot absorb, maintain highly reliable and affordable utilities especially electricity, get educated on how important primary employers are to our citizens and the local economy and refrain from demonizing them, and ensure that the police and fire departments remain properly staffed and take care of the streets.

**How do you think council's interest in raising the minimum wage, leveling an affordable housing impact fee, placing a moratorium on mobile home park redevelopment and revisiting the metro district policy will affect business and development in our community?**

Such actions will encourage the economic development of other communities in the region and undermine our own tax base. We would still have the challenges and needs we now have but with relatively fewer resources.

A cautionary tale is Boulder. They have pressed no-growth policies and experimented with an affordable housing fee. As a result, it has a reputation nationally as an expensive, elitist community. Council's actions to-date to restrict housing supply drives up prices and drives out workers. Consequently, the level of workforce commuting in Fort Collins makes a mockery of the City's climate action goals.

I did ask a dozen businesses about these issues. (See attachment for responses)

**What approach does the chamber take to Fort Collins growth and development – i.e., how should city and community leaders balance growth with citizens' dedication to maintaining the city's character and natural environment?**

As framed, this question is presenting a false choice.

A strong economy or an increase in population do not have to mean diminished community 'character' and natural environment. They can mean having the means to pay for more programs and amenities that enhance quality of life.

A look at the City's own citizen surveys demonstrates that population growth does not translate into a sense of diminished quality of life. In 2018, 98 percent of survey respondents rated the quality of natural areas and open space very high. That improved from 84 percent in 2001. Over that same period, population grew by 29 percent from 119,000 people to 168,000.

To repeat what I said earlier, businesses matter a lot to a community. They provide goods and services residents need and want, they generate significant tax revenue for schools and municipal services, they and their employees are a foundation of support for nonprofits and their clientele, and they create jobs.

It is good to be intentional about what we want to become. There are plenty of examples of places with strong economies but poor qualities of life. And, there are examples of places that have stopped growing that also have bad qualities of life. The answers are much more nuanced than 'grow like heck' and 'keep the heck out.' We need to be smarter than that.

**Examples of council actions since last spring that you perceive as particularly positive or concerning measures for the city's economy and business community**

Some **positive actions**:

- Approved funding for the Downtown Development Authority
- Provided money for capital improvements at the regional airport
- Supported a small business revolving loan program
- Supported the widening of I-25

Here's a partial list of **concerning measures**:

- Attacking metro districts without really understanding them and how they can help the City accomplish its goals is unwise

- Taking the Hughes property out of the normal Planning and Zoning approval process
- Rezoning the Hughes property to RF without developer request and in lieu of more dense affordable housing
- The discussion about increasing natural areas to 40 percent along Harmony, one of designated business corridors in town
- Proposing to remove all drive-throughs city wide,
- Taking private property rights by imposing a moratorium on redevelopment of mobile home parks
- Discussion of a moratorium on oil and gas wells.
- Issues aside, there's an attitude. You do not hear the City Council as a group or individual Council members speak favorably about business.

## Views of Some Businesspeople About Council's Work So Far

A dozen businesspeople were asked to respond. Below is what they said.

### Issues Discussed by Council

#### Issue: Metro Districts

- The metro district policy is a way to defer the costs of infrastructure from the original purchase price of a property. It is not reducing the costs of a property; you just pay later. The Council's inability to see how this tool can be used or inability to make use of different tools is disappointing. This may be caused by a lack of education for some Council Members. In light of 50% of the costs of a lot attributable to water costs and many local water suppliers (including the city) requiring overfunding of water on new development, this is a way to keep the initial price of home lower at the expense of higher monthly payment.
- Metro districts could be one of those great public-private partnerships with win-win scenarios to achieve greater benefit than any single entity could alone. Unfortunately, nothing about this current council gives me confidence this will occur. In fact, I see an anti-growth wolf in sheep's clothing likely to undermine any good from metro districts.
- (Council is) anti-metro district with no real basis of saying "no" or understanding why they are needed. Tacking on an "affordable" component in order to get to 'yes' may not be achievable by a lot of developers.
- Revisiting the Metro District is another unnecessary action by what at the time was a (new) city council presented with a complex problem. These are helpful and necessary financing mechanisms that can be very useful for new development (when properly managed).
- Revisiting metro district policies is fine on the surface, provided Council is open to a constructive dialogue and compromise.
- Metro districts are instrumental to master-planned communities like Mosaic, Montava and others. Without them, developers are forced to piece-meal large scale developments, which leads to a patchwork of product, infrastructure and compatibility. Our land use code encourages master planned communities and I would argue has proven to result in more cohesive development around the city. Metro districts have to be a tool in the toolbox for this to continue.

#### Issue: Mobile Home Parks

- The mobile home moratorium is a solution in search of a problem. There are far better ways to deliberately and methodically address mobile home development besides putting a sudden halt to all development activity, which restricts the owner's property rights and endangers the residents of these parks. This is in effect a temporary "taking" which should give all property owners cause for concern.
- The moratorium on any redevelopment of mobile home parks is a "taking" of private property rights.
- I've always thought that mobile home developments provide a needed housing segment in every community. With the limited availability for such developments within the city of Fort Collins, that horse may have already left the gate. I'm not in favor of subsidies in any form, but it would take creative incentives by the city to encourage that kind of housing development at this point in time.
- A moratorium of any variety is a blunt tool... Rather than a capricious taking of property rights, City policies that all but ban the development of new mobile home parks should be reconsidered. As well, direct engagement with park owners might surface opportunities for reinvestment in these communities for the betterment of its residents and surrounding property owners. Whenever a moratorium is lifted, we have seen property owners run for the exit...to lock in their retirement before the door is closed again.
- They want to restrict a private owner from doing the best with their property (mobile home redevelopment) while they pretty much made it impossible to develop a new (mobile home) park within the city limits. Make it easier to develop a park or be trendy and call it a tiny home park and then redevelopment of existing matters less.
- Redevelopment of the parks...there are bigger and better ways to address this concern. I prefer inclusion and collaboration with stakeholders over moratoriums, in general.
- The moratorium on redevelopment of mobile home parks will deter future development and also hinder the development of affordable housing. It is a government takeover of private property rights from the current owners, this impact will be greater than just on mobile home park redevelopment and is a bad precedent.
- This is primarily an issue because the City does not have a viable alternative for affordable housing in process or available in the foreseeable future.

- Fortunately, it appears that the Hughes zoning issue served as both an education and a wake-up call to the current council, and the end product, while still in dispute, was far less egregious than it could have been.
- I hope that when the history of this council is written we can say that the Hughes-stadium re-zoning debacle was the high water mark for council's desire to (a) ignore city plan, (b) ignore city staff recommendations, (c) ignore real solutions to affordable housing, and (d) ignore property rights. This series of events was the culmination of a city council that had not found its footing and did not understand the complexity of their roles and their responsibilities.
- In terms of growth and development it is concerning to see emotion entering conversations that should be driven by policy, in particular the Hughes rezoning...Growth will happen in our region and not embracing it or capturing it will lead to sprawl, degradation of the community tax base and increased traffic, congestion and air quality issues for the region.
- (Council) initiating zoning on a piece of private property sets a very dangerous precedent and could open the city up to substantial liability.

#### Issue: Housing Affordability

- Decisions around Montava and Hughes Stadium do not encourage affordability of housing...Their actions constrain supply, while there is increasing demand. That pushes up prices.
- The most recent visible action involves the City initiated rezoning of the Hughes Stadium property. That was a private transaction between a landowner (albeit the State of Colorado) and a developer. Somehow, during that process, the council ordained themselves as the rule maker of what can happen on that property... That development had (and hopefully still has) the opportunity to address our severe housing shortage and make even a small dent in the lack of attainable housing. CSU should be furious with the way they were treated.
- Housing in Fort Collins is already largely unaffordable, and this problem is getting worse quickly. If not addressed soon we will continue to see people locating to areas east and south of our community and commuting into Fort Collins for work and entertainment. This exacerbates the problems we see growing around us like traffic congestion, crumbling infrastructure and continued deterioration of our retail/restaurant sector, all of which will most certainly make climate goals that much more unattainable.
- Simply stated, a housing fee to encourage affordability is a straight-up oxymoron. The mental contortion that one has to go through to arrive at this solution is difficult to comprehend.



- Affordable Housing Impact fee only raises the cost of development and housing in the community across the board. 10% of the costs of a home is directly paid to the city for permit fees. An estimated 15% of new home costs are due to aesthetic design standards required by the City. A certain portion of current city costs involved in the permit process are covered out of the general fund. Instead of deed restrictions or requiring others to pay (increases costs of all homes), a policy where living units under a certain price point get reduced permit costs and relaxed design standards would lower the costs of a new home below that price point and give incentives to builders to build below that price point.
- Boulder has experimented with an affordable housing fee, and is nationally recognized as a very expensive community to live in – where is the proof this tactic works? Overall artificially impacting market-driven economic factors will only accelerate the adverse impacts each of these factors has on the community. With organic growth the market remains in equilibrium, inject steroids in any of these segments and it throws off the natural balance.
- We don't need 'affordable' to mean 'subsidized housing'. We need more affordability in the (housing) marketplace. The myriad codes and decisions past councils and this council have made about how green a development should be, road medians and width, sprinkler systems, construction recycling, water taps, impact fees to fund larger City Government etc., etc. etc. , all put their toes on the scale for higher cost housing.

#### Issue: Primary Employers and Economic Development

- I believe councilman Cunniff is on the record questioning the importance of Primary Employers within a community. This is concerning as a business owner...
- When Ross Cunniff says we don't need primary employers, he doesn't understand how those companies are the heart of our economic ecosystem and support retail and service sectors that the City receives its sales tax from! By the way, Ross works for a primary employer – for their corporate home base in California! The revenues and profits from his company go there. Whereas a Woodward, Otterbox all of their profits come back to Fort Collins and are re-spent numerous times in our economy.
- We all remember too well how you can't beg the economy to come back to life when it is down, to not make the most of opportunities while the economy is healthy is short-sighted.

#### Issue: Local Minimum Wage

- Several issues like the citywide minimum wage is directly anti-business and extremely naive about what the effects the policy will have on Fort Collins. This will shut down business and increase the cost of living in the city.
- This Council's interest in increasing the minimum wage is one of the most troublesome items to come across City Hall in a very long time. The Bureau of Labor Statistics shows that in 2017, 0.4% of the working population in the United States earned the federal minimum wage. If we exclude teenagers then this figure becomes much, much smaller. The minimum wage is earned by very, very few people. Furthermore, an increase to the minimum wage impacts minority populations disproportionately... Finally, minimum wage rules hurt small, locally owned businesses. Wal-Mart and McDonalds will survive just fine if Council approves a drastic change and will eventually innovate their way right out of this critical entry point into the workforce. But small businesses and start-ups will not escape this economic impediment, or they will never exist in the first place. We should build a community that embraces start-ups and entrepreneurs, not force them out of our community to more welcoming nearby areas.
- Minimum wage will be a great way to show how "progressive" they are while destroying jobs of the very people they say they want to help. They need to understand the entry level workforce and the trickle up effects on wages by raising the floor. Jobs will be lost when they do this.
- I think local mandatory minimum wages hurt employers and the community they are intended to support. Local mandatory minimum wages tend to drive certain businesses to locate outside of the community, cause employers to reduce staff to account for the increased costs, and ultimately have a greater negative impact on those they are intended to help. Any additional mandated restrictions that effectively limit access to affordable housing, including additional taxes on builders who are attempting to grow the market, will hurt business and development by making Fort Collins a more expensive community than it already is.
- Raising the local minimum wage sounds wonderful but has been demonstrated in places that have implemented such policies, it generally has exactly the opposite outcome as the stated desire. We operate in a global, and regional economy. Arbitrarily raising the cost of production for a locally based employer can place the employer at an artificial competitive disadvantage when their goods or services are in competition with goods and services sourced in geographically diverse locations...

- The minimum wage issue will raise the cost of business for nearly all business in the City which will also raise the costs of the goods and services sold. Bottomline is it will raise the cost of living.
- Raising minimum wage doesn't give low-earners more buying power, it simply breeds inflation and drives up costs on the business community. The price of a gallon of milk increases proportionately.

#### Issues: General Comment about How Council Approaching Issues

- Many of these actions appear reasonable on the surface but the underlying theme is no growth, no development, and anti-business.
- The council as a whole has taken some actions or started discussions that seem to be irrelevant, like the Climate Action Emergency resolutions, the border emergency resolution, the dark skies initiative. None have immediate impact but definitely change how people see Fort Collins.

#### **Attitude Towards Business**

- Certain council members appear openly hostile to the business community even while professing support for local proprietors. Perhaps in the quest of "reimagining boards and commissions", the current council might "reimagine" its interface with the business community, which notably includes those in real estate development. Rather than selecting a few voices they are open to hearing, an ongoing dialogue that encourages participation from across the broad-spectrum business interests could (be helpful.)
- ... I'm not sure what the current council is doing to support the business community.
- Little to no public statements supporting business. To the contrary, council members have spoken against business.
- I am encouraged by what appears to be recent movement to correct what was a troubling course. Perhaps the newly seated council took some time to get up the learning curve...Originally, I was concerned that (business) would go largely ignored, but that seems to be shifting which is a positive move.
- Unfortunately, not one single council member owns or runs a business. They are demonstrating their lack of understanding of how business basics work like making a profit, meeting payroll – every time, the cost of the workforce, how the cost of housing impacts the workforce and the ability to recruit talent from within the city or as costs rise more of the workforce comes from outside Fort Collins.

## **Growth and ‘Community Character’**

- Understand that just because we own and operate businesses doesn’t mean we don’t hold these same values very close. We hold the same aspirations for our children and succeeding generations as most everyone else. Indeed, the investments we’ve made require that we do everything within our control to preserve the character and natural environment of our community in order to attract and retain a healthy, prosperous workforce.
- Everything takes money to sustain and support the “nice things” that we all love about our community.
- We are blessed to be in a desirable area of the country with a strong economy. For the next couple of decades at least we will have growth. The real question is because we’ve chosen to limit it through a line around our city (urban growth area) will our police officers be able to afford to live here in 20 years? Will our service workers commute from outlying communities? I predict that the Boulder we see today will have many of the characteristics of Fort Collins in 2030 or 2040 without the charm of the Flatirons.

## **What Can Council Do to Support Business?**

- Don’t impose barriers. Work WITH the business community, not against to find win-win solutions and common ground to further community-identified priorities. Don’t take business community for granted, and don’t dismiss the importance of good jobs and economic climate, which underwrite the very quality of life many are trying so hard to protect.
- Having a good job makes things even better. The ability to have a good job comes from businesses creating products and services and those in turn create jobs. What they could do better is to understand the life cycle of businesses. Nothing is guaranteed. Look at HP today v. what it was 10, 20, or 30 years ago. Council could be intentional about lowering fees imposed on business and working on business retention and expansion. It’s already more expensive to develop commercial property. Council could help with lowered costs – not just for the major employers, but across the board so the small businesses that employ 85% of the workforce in Fort Collins would benefit as well.
- I think the council should truly take the time to understand these issues and listen to all major implementors of these policies before making a decision.